



General Assembly

February Session, 2002

Committee Bill No. 89

LCO No. 2220

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING THE SALES TAX ON CABLE TELEVISION SERVICE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (2) of section 12-407 of the general statutes, as
2 amended by section 2 of public act 01-109 and section 1 of public act
3 01-6 of the June special session, is repealed and the following is
4 substituted in lieu thereof (*Effective July 1, 2002, and shall be applicable to*
5 *sales occurring on or after said date*):

6 (2) "Sale" and "selling" mean and include: (a) Any transfer of title,
7 exchange or barter, conditional or otherwise, in any manner or by any
8 means whatsoever, of tangible personal property for a consideration;
9 (b) any withdrawal, except a withdrawal pursuant to a transaction in
10 foreign or interstate commerce, of tangible personal property from the
11 place where it is located for delivery to a point in this state for the
12 purpose of the transfer of title, exchange or barter, conditional or
13 otherwise, in any manner or by any means whatsoever, of the property
14 for a consideration; (c) the producing, fabricating, processing, printing
15 or imprinting of tangible personal property for a consideration for
16 consumers who furnish either directly or indirectly the materials used

17 in the producing, fabricating, processing, printing or imprinting,
18 including, but not limited to, sign construction, photofinishing,
19 duplicating and photocopying; (d) the furnishing and distributing of
20 tangible personal property for a consideration by social clubs and
21 fraternal organizations to their members or others; (e) the furnishing,
22 preparing, or serving for a consideration of food, meals or drinks; (f) a
23 transaction whereby the possession of property is transferred but the
24 seller retains the title as security for the payment of the price; (g) a
25 transfer for a consideration of the title of tangible personal property
26 which has been produced, fabricated or printed to the special order of
27 the customer, or of any publication, including but not limited to, sign
28 construction, photofinishing, duplicating and photocopying; (h) a
29 transfer for a consideration of the occupancy of any room or rooms in a
30 hotel or lodging house for a period of thirty consecutive calendar days
31 or less; (i) the rendering of certain services for a consideration,
32 exclusive of such services rendered by an employee for the employer,
33 as follows: (A) Computer and data processing services, including, but
34 not limited to, time, programming, code writing, modification of
35 existing programs, feasibility studies and installation and
36 implementation of software programs and systems even where such
37 services are rendered in connection with the development, creation or
38 production of canned or custom software or the license of custom
39 software, and exclusive of services rendered in connection with the
40 creation, development hosting or maintenance of all or part of a web
41 site which is part of the graphical, hypertext portion of the Internet,
42 commonly referred to as the World-Wide Web, (B) credit information
43 and reporting services, (C) services by employment agencies and
44 agencies providing personnel services, (D) private investigation,
45 protection, patrol work, watchman and armored car services, exclusive
46 of services of off-duty police officers and off-duty firefighters, (E)
47 painting and lettering services, (F) photographic studio services, (G)
48 telephone answering services, (H) stenographic services, (I) services to
49 industrial, commercial or income-producing real property, including,
50 but not limited to, such services as management, electrical, plumbing,

51 painting and carpentry and excluding any such services rendered in
52 the voluntary evaluation, prevention, treatment, containment or
53 removal of hazardous waste, as defined in section 22a-115, or other
54 contaminants of air, water or soil, provided income-producing
55 property shall not include property used exclusively for residential
56 purposes in which the owner resides and which contains no more than
57 three dwelling units, or a housing facility for low and moderate
58 income families and persons owned or operated by a nonprofit
59 housing organization, as defined in subsection (29) of section 12-412,
60 (J) business analysis, management, management consulting and public
61 relations services, excluding (i) any environmental consulting services,
62 and (ii) any training services provided by an institution of higher
63 education licensed or accredited by the Board of Governors of Higher
64 Education pursuant to section 10a-34, (K) services providing "piped-in"
65 music to business or professional establishments, (L) flight instruction
66 and chartering services by a certificated air carrier on an aircraft, the
67 use of which for such purposes, but for the provisions of subsection (4)
68 of section 12-410 and subsection (12) of section 12-411, would be
69 deemed a retail sale and a taxable storage or use, respectively, of such
70 aircraft by such carrier, (M) motor vehicle repair services, including
71 any type of repair, painting or replacement related to the body or any
72 of the operating parts of a motor vehicle, (N) motor vehicle parking,
73 including the provision of space, other than metered space, in a lot
74 having thirty or more spaces, excluding (i) space in a seasonal parking
75 lot provided by a person who is exempt from taxation under this
76 chapter pursuant to subsection (1), (5) or (8) of section 12-412, (ii) space
77 in a parking lot owned or leased under the terms of a lease of not less
78 than ten years' duration and operated by an employer for the exclusive
79 use of its employees, (iii) valet parking provided at any airport, (iv)
80 space in municipally-operated railroad parking facilities in
81 municipalities located within an area of the state designated as a
82 severe nonattainment area for ozone under the federal Clean Air Act,
83 or space in a railroad parking facility in a municipality located within
84 an area of the state designated as a severe nonattainment area for

85 ozone under the federal Clean Air Act owned or operated by the state
86 on or after April 1, 2000, (O) radio or television repair services, (P)
87 furniture reupholstering and repair services, (Q) repair services to any
88 electrical or electronic device, including, but not limited to, equipment
89 used for purposes of refrigeration or air-conditioning, (R) lobbying or
90 consulting services for purposes of representing the interests of a client
91 in relation to the functions of any governmental entity or
92 instrumentality, (S) services of the agent of any person in relation to
93 the sale of any item of tangible personal property for such person,
94 exclusive of the services of a consignee selling works of art, as defined
95 in subsection (b) of section 12-376c, or articles of clothing or footwear
96 intended to be worn on or about the human body other than (i) any
97 special clothing or footwear primarily designed for athletic activity or
98 protective use and which is not normally worn except when used for
99 the athletic activity or protective use for which it was designed, and (ii)
100 jewelry, handbags, luggage, umbrellas, wallets, watches and similar
101 items carried on or about the human body but not worn on the body in
102 the manner characteristic of clothing intended for exemption under
103 subdivision (47) of section 12-412, under consignment, exclusive of
104 services provided by an auctioneer, (T) locksmith services, (U)
105 advertising or public relations services, including layout, art direction,
106 graphic design, mechanical preparation or production supervision, not
107 related to the development of media advertising or cooperative direct
108 mail advertising, (V) landscaping and horticulture services, (W)
109 window cleaning services, (X) maintenance services, (Y) janitorial
110 services, (Z) exterminating services, (AA) swimming pool cleaning and
111 maintenance services, (BB) renovation and repair services as set forth
112 in this subparagraph, to other than industrial, commercial or
113 income-producing real property: Paving of any sort, painting or
114 staining, wallpapering, roofing, siding and exterior sheet metal work,
115 (CC) miscellaneous personal services included in industry group 729
116 in the Standard Industrial Classification Manual, United States Office
117 of Management and Budget, 1987 edition, or U.S. industry 532220,
118 812191, 812199 or 812990 in the North American Industrial

119 Classification System United States Manual, United States Office of
120 Management and Budget, 1997 edition, exclusive of (i) services
121 rendered by massage therapists licensed pursuant to chapter 384a, and
122 (ii) services rendered by an electrologist licensed pursuant to chapter
123 388, (DD) any repair or maintenance service to any item of tangible
124 personal property including any contract of warranty or service related
125 to any such item, (EE) business analysis, management or managing
126 consulting services rendered by a general partner, or an affiliate
127 thereof, to a limited partnership, provided (i) that the general partner,
128 or an affiliate thereof, is compensated for the rendition of such services
129 other than through a distributive share of partnership profits or an
130 annual percentage of partnership capital or assets established in the
131 limited partnership's offering statement, and (ii) the general partner, or
132 an affiliate thereof, offers such services to others, including any other
133 partnership. As used in subparagraph (EE)(i) "an affiliate of a general
134 partner" means an entity which is directly or indirectly owned fifty per
135 cent or more in common with a general partner, and (FF)
136 notwithstanding the provisions of section 12-412, as amended, except
137 subsection (87) thereof, patient care services, as defined in subsection
138 (29) of this section by a hospital, except that "sale" and "selling" does
139 not include such patient care services rendered during the period
140 commencing July 1, 2001, and ending June 30, 2003; (j) the leasing or
141 rental of tangible personal property of any kind whatsoever, including,
142 but not limited to, motor vehicles, linen or towels, machinery or
143 apparatus, office equipment and data processing equipment, provided
144 for purposes of this subdivision and the application of sales and use
145 tax to contracts of lease or rental of tangible personal property, the
146 leasing or rental of any motion picture film by the owner or operator of
147 a motion picture theater for purposes of display at such theater shall
148 not constitute a sale within the meaning of this subsection; (k) the
149 rendering of telecommunications service, as defined in subsection (26)
150 of this section, for a consideration on or after January 1, 1990, exclusive
151 of any such service rendered by an employee for the employer of such
152 employee and exclusive of that portion of a consumer's bill attributable

153 to the gross earnings tax levied pursuant to chapter 211, subject to the
 154 provisions related to telecommunications service in accordance with
 155 section 12-407a, as amended; (l) the rendering of community antenna
 156 television service, as defined in subsection (27) of this section, for a
 157 consideration on or after January 1, 1990, exclusive of any such service
 158 rendered by an employee for the employer of such employee; (m) the
 159 transfer for consideration of space or the right to use any space for the
 160 purpose of storage or mooring of any noncommercial vessel, exclusive
 161 of dry or wet storage or mooring of such vessel during the period
 162 commencing on the first day of November in any year to and
 163 including the thirtieth day of April of the next succeeding year; (n) the
 164 sale for consideration of naming rights to any place of amusement,
 165 entertainment or recreation within the meaning of subdivision (3) of
 166 section 12-540; (o) the transfer for consideration of a prepaid telephone
 167 calling service, as defined in subsection (34) of this section, and the
 168 recharge of a prepaid telephone calling service, provided, if the sale or
 169 recharge of a prepaid telephone calling service does not take place at
 170 the retailer's place of business and an item is shipped by the retailer to
 171 the customer, the sale or recharge shall be deemed to take place at the
 172 customer's shipping address, but, if such sale or recharge does not take
 173 place at the retailer's place of business and no item is shipped by the
 174 retailer to the customer, the sale or recharge shall be deemed to take
 175 place at the customer's billing address or the location associated with
 176 the customer's mobile telephone number. Wherever in this chapter
 177 reference is made to the sale of tangible personal property or services,
 178 it shall be construed to include sales described in this subsection,
 179 except as may be specifically provided to the contrary.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002, and shall be applicable to sales occurring on or after said date</i>

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Joint Favorable C/R

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